

Connecticut State Board of Accountancy  
July 10, 2007  
Minutes

Chairman Reynolds called the meeting to order at 8:31 A.M. in the second floor conference room, 30 Trinity Street, Connecticut.

Present:

Thomas F. Reynolds, CPA, Chairman  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr., CPA  
Richard H. Gesseck, CPA  
Leonard M. Romaniello, Jr., CPA  
Richard L. Sturdevant  
Michael Weinshel, CPA

Staff Members Present:

David L. Guay, Executive Director  
Rebecca E. Adams, Esquire, Board Counsel  
Angel D. Acevedo, Office Assistant

Motion made by Michael Weinshel and seconded by James Ciarcia to accept and approve the Minutes of the May 29, 2007 State Board of Accountancy meeting.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinshel

- No votes against and no abstentions.

In a review of Board operations Executive Director Guay briefed the Board on the operations of the Board by providing a written summary:

**July 10, 2007 Executive Director's Operations Update and Review**

### **Licensing Database**

- Highest priority special project
- Continuing testing, Jamie Gamble making changes in response to my testing
- Still waiting to test updates to licensing back end

### **Peer Review**

- backlog of reports received based upon our inquiries has been cleared
- Beginning to rework work flow and administration

### **Website**

- Have begun upgrade effort – temporally back burner until online testing completed

### **Business continuity & pandemic planning**

- Placed on the back burner for the moment

### **Regulation Project and Effort**

- On back burner while I review the online system, I still need to complete research and draft suggestion for experience
- Need to continue monthly review in conjunction with CSCPA Study
- PA Regulation Submitted
- Emergency Regulations approved by Legislature

### **Records Retention Effort**

- Enforcement Records – working on review and prep for disposal
- CPA Exam Grade cards, continuing with scanning
- Planning for scanning of minutes with originals to the State Archives
- Purchase of individual printers with scanners for electronic document retention completed and three out of the five installed
- Download from NASBA of grades still needs to be planned and accomplished
- Designing electronic records retention policy and procedures

Motion made by Richard Bond and seconded by Leonard Romaniello to go into Executive Session to discuss personnel matters, it was noted for the record that Executive Director Guay was asked to join the Board in Executive Session. The record also notes that Attorney Rebecca Adams was also asked to join the Board in Executive Session.

Voting in Favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinschel

No votes against and no abstentions.

The Board entered Executive Session at 8:47 A.M.

Motion made by Philip DeCaprio and seconded by Richard Gesseck to end the Executive Session and return to regular session.

Voting in Favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinschel

No votes against and no abstentions.

The Board ended Executive Session and return to regular session at 9:14 A.M.

Motion made by Philip DeCaprio and seconded by James Ciarcia to approve the July 10, 2007 list of individual applications for CPA Certificate, Registrations and CPA Licenses; Cecilia Faraci's application has been tabled until further notice.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinschel

-No votes against and no abstentions.

Motion made by James Ciarcia and seconded by Richard Sturdevant to approve the July 10, 2007 list of Firm Permit to Practice applications.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant

Michael Weinshel

-No votes against and no abstentions.

Executive Director Guay presented the Board with several requests for extension of time to gather and report CPE for the year ended June 30, 2007 and asked that a late arriving request from Peter Aptow be added.

Motion made by James Ciarcia and seconded by Richard Gesseck to add Peter Aptow to the list of those seeking CPE extensions.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinshel

-No votes against and no abstentions.

1. Alexander A. Fedele, CPA request for CPE Extension
2. Christine Radu, CPA request for CPE Extension
3. William P. Suprono, CPA request for CPE Extension
4. Gary R. Berman, CPA request for CPE Extension
5. Kathleen Wallace, CPA request for CPE Extension
6. Maryjo L. Reiner Gallo, CPA request for CPE Extension
7. James FX. Beardsley, CPA request for CPE Extension
8. John Grippo, CPA request for CPE Extension
9. Meliza Jimenez, CPA request for CPE Extension
10. Sanders Davies, CPA request for CPE Extension
11. Robert W. Falce request for CPE Extension
12. Peter Apatow, Non-practicing CPA request for CPE Extension

Motion made by James Ciarcia and seconded by Richard Gesseck to deny the requests for extensions, except for Gary R. Berman (#4) will be granted a ninety day extension and authorize Board Attorney Adams to negotiate a hundred dollar settlement, and a ninety day extension to report CPE.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia

Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinshel

-No votes against and no abstentions.

Executive Director Guay presented the Board with a request for CPA Exam Conditional Credit extension from Ralph D'Antonio.

Michael Weinshel made a motion, seconded by Leonard Romaniello to deny Mr. D'Antonio's request.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinshel

-No votes against and no abstentions.

The Board reviewed the Proposed Revisions to the AICPA/NASBA Uniform Accountancy Act concerning the concept of mobility as outlined in the Exposure Draft of March 2007:

Motion made by Michael Weinshel and seconded by Richard Bond to embrace the concept of Mobility as outlined in the Amended Exposure Draft Proposed Revisions to AICPA/NASBA Uniform Accountancy Act Sections 23, 7 and 14, and instruct the Board Staff to move forward with an analysis of the details.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinshel

-No votes against and no abstentions.

Motion made by Richard Bond and seconded by Philip DeCaprio to add a public session for Enforcement to the Agenda.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinschel

-No votes against and no abstentions.

### **PUBLIC SESSION**

#### **A. PROPOSED CPE SETTLEMENTS**

<b><u>LAST NAME</u></b>	<b><u>LICENSE</u></b>	<b><u>LATE FEE</u></b>
Anderson	5355	100
Angotatta	7211	100
Askey	12455	100
Buffington	7580	100
Calafiore	10732	100
Canth	12363	Requesting waiver of \$100 due to husband's heart attack In March 2006 (medical documentation included).
Delicandro	8574	100
Discepolo	5505	250(CPE late 2006 and extended to 12/31/2007)
Dumas	3853	100
Ebersold	8691	100
Feurman	12529	100
Goldstein, H.	12126	100
Goldstein, S.	9430	100
Jakubec	2734	100
Johnson	9797	100
Juwonoputro	12532	100
Laconte	4368	100
Micik	4476	100
Mulford	2341	100
Olson	6290	100
Petshaft	4555	100
Picardi	3609	100
Rinehimer	11203	100

Motion made by James Ciarcia and seconded by Richard Sturdevant to accept Attorney Adams' proposed CPE settlements for license holders: 5355, 7211, 12455, 7580, 10732, 8574, 5505, 3853, 8691, 12529, 12126, 9430, 2734, 9797, 12532, 4368, 4476, 2341, 6290, 4555, 3609, 11203; Licensee # 12363- Canth was granted a waiver for the \$100 fee in the proposed settlement.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinschel

-No votes against and no abstentions.

#### **B. REQUESTING SETTLEMENT APPROVAL**

##### **2006030-2390 Mordecai Lerer**

##### **Failure to earn 40 hours of CPE by June 30, 2006**

Mr. Lerer's request for an extension was denied in December. He declined to settle under the terms of the original "Late CPE Settlement" (No Admissions and a \$100 late fee).

*Request settlement approval for \$200 civil penalty.*

Motion made by Richard Sturdevant and seconded by Leonard Romaniello to accept Attorney Adams' recommended settlement of a \$200 civil penalty.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinschel

-No votes against and no abstentions.

##### **2007055-3055 Donarell Elder**

##### **Failure to earn 40 hours of CPE by June 30, 2006**

22 of the hours reported by Mr. Elder did not meet the regulatory requirements for acceptable CPE. At the compliance meeting in this matter, Mr. Elder produced AICPA certificates for 16 acceptable hours of CPE earned in October 2006.

*Recommend settlement approval for settlement containing admissions, payment of a \$100 civil penalty, and compliance with 2007 CPE requirements with proof of 40 hours of CPE earned by June 30, 2007.*

Motion made by Richard Bond and seconded by Richard Sturdevant to accept Attorney Adams' recommended settlement.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinschel

-No votes against and no abstentions.

**2003012-2451 Marc Rabinowitz**

**Suspension from practice before the SEC pursuant to settlement.**

The SEC alleged that Kenneth Wilchfort, a partner at Ernst & Young LLP, failed to detect that CUC and Cendant's financial statements were not presented in conformity with GAAP. Mr. Rabinowitz's 4 year suspension has expired. He is currently applying for restoration of his SEC practice rights.

*Recommend settlement for surrender of Certificate pursuant to Board Order, with application for reinstatement allowed but not automatically granted upon reinstatement by the SEC, and payment of \$1,174 in Board costs associated with this case.*

**2003013-2450 Kenneth Wilchfort**

**Suspension from practice before the SEC pursuant to settlement.**

The SEC alleged that Kenneth Wilchfort, a partner at Ernst & Young LLP, failed to detect that CUC and Cendant's financial statements were not presented in conformity with GAAP. Mr. Wilchfort's 4 year suspension date has passed. He is currently is applying for restoration of his SEC practice rights.

*Recommend settlement for surrender of Certificate pursuant to Board Order, with application for reinstatement allowed but not automatically granted upon reinstatement by the SEC and payment of \$1,174 in Board costs associated with this case.*

Motion made by Richard Sturdevant and seconded by Leonard Romaniello to approve Attorney Adams' recommendations in the matters of Rabinowitz, 2003012-2451 and Wilchfort, 2003013-2450.

Voting in favor:

Thomas F. Reynolds  
James S. Ciarcia  
Philip J. DeCaprio  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinschel

Abstentions:

Richard P. Bond

-Mr. Richard Gesseck recused himself.

**2006000-3067 Greg DeFrank**

**Failure to undergo and report QR**

Mr. DeFrank failed to undergo and report QR in 2003.

*Recommend settlement for \$1,000 civil penalty and QR covering the period January 1, 2001 through December 31, 2006, reported by December 31, 2007 (next QR due December 31, 2009).*

Motion made by Phillip DeCaprio and seconded by Leonard Romaniello to accept Attorney Adams' recommendation.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinschel

-No votes against and no abstentions.

**2007056-3056 Cecilia Faraci**

**Unauthorized Use of Title**

Ms. Faraci holds a current Texas CPA license. Approximately 90 days ago, Intuit, the vendor for QuickBooks, posted a website for Ms. Faraci as an approved QuickBooks consultant. The website originally stated that she was a CPA and listed her as Cecilia Faraci, CPA also listing a Connecticut address and telephone number. Since she received the Board complaint on June 4, 2007,

Ms. Faraci has amended her website to show that she is licensed as a CPA only in Texas and has notified Intuit.

*Recommend settlement for cease and desist order, registration of out of state certificate, and proposing and implementing new protocol for Intuit's advertising (with input and oversight by Board Counsel).*

Board members decided to table, and allow Attorney Adams to renegotiate the terms of the settlement agreement in the matter of Cecilia Faraci, 2007056-3056.

**C. STATUTES AND REGULATIONS – ATTORNEY ADAMS PROVIDED THE FOLLOWING:**

1. Examination Fee Legislation: Public Act 07-214.
2. Examination Fee Regulations: Published June 26, 2007. Transmission to the Attorney General's Office on July 27, 2007.
3. PA to CPA Regulations: Regulations Review Committee Action July 24, 2007.

Under Public Comment John Palmeri, President of the Connecticut Society of CPA's addressed the Board along with Andrew Rosman, Professor at the University of Connecticut.

At 10:45 A.M. the Board recessed.

The meeting was called back to order at 11:00 A.M. by Chairman Reynolds.

Motion made by Richard Sturdevant and seconded by Richard Gesseck to move into Executive Session to discuss pending enforcement matters and to invite Mr. Reuel Stoltz to discuss a pending matter at 11:01 A.M.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinschel

-No votes against and no abstentions.

Motion made by Richard Sturdevant and seconded by Leonard Romaniello to move out of Executive Session and back to regular session at 12:32 P.M.

Voting in favor:

Thomas F. Reynolds

Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinschel

-No votes against and no abstentions.

### **FORMAL HEARINGS**

#### **1. 2004109-2638 Peter Marino – Failure to comply with terms of settlement.**

Chairman Reynolds convened hearing for enforcement case# 2004109-2638 at 12:40 P.M.

It is noted that Mr. Marino did not attend the Hearing.

The hearing for case# 2004109-2638 was closed at 1:02 P.M.

A motion was made by Richard Bond and seconded by Phillip DeCaprio to revoke Mr. Marino's, CPA Certificate, CPA License and Firm Permit.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinschel

-No votes against and no abstentions.

#### **2. 2006026-2921 William Epperson – Failure to comply with terms of settlement**

Previous licensee whose Certificate was REVOKED on 3/5/2002. He failed to pay the \$3,000 fine required under that settlement and is violating the revocation terms by advertising in the yellow book, yellow pages, and on the internet as a CPA.

Chairman Reynolds convened hearing for case# 2006026-2921, in the matter of Mr. Epperson at 1:08 P.M.

It is noted that Mr. Epperson did not attend the Hearing.

The hearing for case# 2006026-2921 was closed at 1:25 P.M.

A motion was made by Leonard Romaniello and seconded by Phillip DeCaprio to revoke Mr. Epperson's CPA Certificate, CPA License and Firm Permit, refer to the State's Attorney and impose a civil penalty of \$5000.00.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant

-No votes against and no abstentions. Mr. Weinshel did not vote.

A motion to adjourn the meeting was made by Phillip DeCaprio and seconded by Richard Bond, all voted in favor. The meeting was adjourned at 1:37 P.M.